

**12**<sup>th</sup> annual report

# *Inter-Provincial*

COMMERCIAL DISCOUNT CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES

## REPORT

*For the Year Ended December 31, 1967*

1

9

6

7



**DIRECTORS**

JOSEPH FRIEBERG

WILLIAM ZIMMERMAN

RICHARD A. DALY, Jr.

THOMAS H. GOOCH

ERIC D. SCOTT

**OFFICERS**

JOSEPH FRIEBERG — *President*

WILLIAM ZIMMERMAN — *Secretary*

**HEAD OFFICE:**

*1541 Davenport Road, Toronto 4, Ontario*

**AUDITORS:**

RESNICK, WINTRAUB & CO., *Chartered Accountants, Toronto*  
COLLINS & HAMES, *Calgary, Alberta*

## to our shareholders

### PRESIDENT'S LETTER TO SHAREHOLDERS

I am pleased to present the Annual Report of your Company for the year ended December 31, 1967. Also included is the financial report of its wholly owned subsidiary Western Aluminum Products Ltd. These results are most encouraging.

Our subsidiary Western Aluminum Products Ltd. sales increased by \$857,672 which must be regarded as a noteworthy achievement particularly since the profits increased by \$98,151 over the prior year. This company is being ably managed and this is exemplified by Western's growth over the last two years. Sales and profits were as follows.

	<u>Sales</u>	<u>Net Profit</u>
Year ended December 31, 1967.....	\$2,935,232	\$111,324
Year ended December 31, 1966.....	\$2,077,560	\$ 13,173

The company has now attained a position of prominence in the Aluminum industry in Western Canada, and we can look forward to continuing growth in the operation.

I would like to acknowledge with thanks, the fine efforts made by all the members of our organization.

Respectfully,

JOSEPH FRIEBERG,  
*President.*

Toronto, May 31, 1968.



# INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LIMITED

and its wholly owned subsidiary — I.C.D. REALTY LIMITED

## BALANCE SHEET — December 31, 1967

(With Comparative Figures for 1966)

### ASSETS

#### CURRENT AND WORKING ASSETS

	1967		1966
Cash on hand in bank	\$ 49,442		\$ 108,084
Government Bonds — at cost (market value: 1967 — 21,262, 1966 — 24,772)	26,089	\$ 75,531	26,089
Collateral held for resale		10,665	18,009

#### RECEIVABLES

Commercial accounts receivable	369,507		647,377
Advances to dealers secured by debentures or chattel mortgages securing inventories or machinery	163,665		320,501
Commercial instalments receivable	41,990		45,442
Mortgages receivable	36,087		61,252
	41,871		51,299
Other receivables and assets including dealers interest receivable	653,120		1,125,871
Less: Allowance for doubtful accounts	75,065	578,055	107,175
			1,018,696

#### INVESTMENT IN AND ADVANCES TO

#### WHOLLY OWNED SUBSIDIARY (Note 1)

Western Aluminum Products Ltd.:			
Shares — at cost	313,495		313,495
Advances	666,514	980,009	676,783
		125,641	151,201

#### FIXED ASSETS — at cost

Automobiles, office equipment and leasehold improvements	53,081		58,705
Less: Accumulated depreciation	39,531	13,550	40,550
			18,155

#### OTHER ASSETS

Funds deposited with Trustee for the redemption of 6¾% secured collateral notes	50,000		340,000
Prepaid expenses	2,342	52,342	2,208
			342,206

#### Unamortized Cost of Acquisition of Borrowed Money (Note 5)

			146,242
	<u>\$1,835,793</u>		<u>\$2,818,962</u>

### LIABILITIES AND CAPITAL

#### CURRENT LIABILITIES

	1967		1966
Short term secured collateral notes			\$ 6,000
Interest payable on 6¾% secured collateral trust notes	\$ 23,763		34,073
Accounts payable and accrued expenses	8,424	32,187	61,526
			101,599

#### DEFERRED LIABILITIES

Unearned interest on notes receivable	1,487		1,970
Interest on 7½% debentures	45,194	46,681	17,348
			19,318

#### RESERVES

Due to customers when receivables are collected		120,176	211,666
---	--	---------	---------

#### LONG-TERM DEBT — SECURED (Note 4)

6¾% secured collateral trust notes — maturing December 31, 1971		839,850	1,527,000
---	--	---------	-----------

#### LONG-TERM NOTE — UNSECURED (Note 3)

7½% debentures — maturing November 1, 1975	346,000		346,000
6½% subordinated, convertible debentures — maturing January 15, 1985	576,000	922,000	600,000
			946,000

#### CAPITAL STOCK AND DEFICIT (Note 3)

CAPITAL STOCK			
Authorized			
100,000 5% preferred, non-voting, non-cumulative, redeemable, par value \$5 each.			
850,000 common shares, no par value.			
Issued and Fully Paid			
71,704 preferred shares	358,520		358,520
208,151 common shares	208,299		184,298
	566,819		542,818
DEFICIT (per attached)	691,920	(125,101)	529,439
			13,379
	<u>\$1,835,793</u>		<u>\$2,818,962</u>

The above Balance Sheet and related Operating Statement are to be read in conjunction with our report dated April 27th, 1968.

Approved on behalf of the Board:

JOSEPH FRIEBERG,

WM. ZIMMERMAN,  
Directors



# INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LIMITED

and its wholly owned subsidiary — I.C.D. REALTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 1967

NOTE 1: The investment in the wholly owned subsidiary, Western Aluminum Products Limited, is being carried on the books at cost and includes an amount of \$178,080 applicable to goodwill on acquisition. No provision has been made in the books of Inter-Provincial Commercial Discount Corporation Limited for the profits or losses of this subsidiary. The net profit of Western Aluminum Products Limited and its wholly owned subsidiary is \$95,370, for the year ended December 31, 1967. The accumulated deficit of the subsidiaries since acquisition totals \$189,873 to December 31, 1967. The financial statements of the wholly owned subsidiary, Western Aluminum Products Limited and its subsidiaries, are not consolidated with that of the parent Company because of the differences in the nature of the respective companies. Inter-Provincial Commercial Discount Corporation Limited was contingently liable as at December 31, 1967, as a guarantor of bank loans for this subsidiary of \$180,000.

NOTE 2: The Company was contingently liable as at December 31, 1967 as a guarantor of loans for \$13,941.

NOTE 3: (a) In 1967 the authorized Capital of common shares was increased by 250,000 shares of no par value.

(b) During 1967, \$24,000 of the 6½% subordinate convertible debentures were converted for 24,000 common shares of no par value.

(c) At December 31, 1967 the following warrants and options to subscribe for or purchase common shares were outstanding:

17,410 common shares are reserved for the conversion of share purchase warrants at \$4.00 per share before August 1, 1969.

20,000 common shares are reserved for the conversion of share purchase warrants at \$10.00 per share before October 1, 1969.

576,000 common share are reserved for the conversion of the 6½% Subordinated Convertible Sinking Fund Debentures.

NOTE 4: *Supplementary Trust Deed Provisions:* — The trust deeds and supplementary trust deeds contain various restrictions affecting the Company's operations. Below are the provisions of the supplementary trust deeds which materially affect the financial obligation of the Company.

a. *Sinking Fund Requirements:*

(i) 7½% Debentures — maturing November 1, 1975 \$85,000 principal per annum November 7, 1972 to 1974 inclusive.

(ii) 6½% Subordinated Convertible Debentures maturing January 15, 1985, 66,000 per annum January 15, 1977 to 1984 inclusive.

b. *Required Payments or Transfer of Cash and/or Approved Securities to Trustee:*

On 6¾% Secured Collateral Trust Notes

December 31, 1968 — 250,000

December 31, 1969 — 260,000

December 31, 1970 — 155,000

December 31, 1971 — 256,000

c. *Interest Repayments*

7½% Debentures — maturing November 1, 1975.

(i) Interest payable November 1, 1966 to November 1, 1971 has been deferred.

(ii) Repayable 50% on or after November 1, 1974 and 50% repayable on or after November 1, 1975.

6½% Subordinated Convertible Sinking Fund Debentures.

(i) No interest payable for the period from July 15, 1966 to July 14, 1975.

(ii) Interest payable from July 15, 1975 to July 15, 1985.

d. *Rights of Conversion*

6½% Subordinated Convertible Sinking Fund Debentures.

(i) Conversion at the rate of 1,000 shares for each \$1,000 principal amount of debentures outstanding prior to January 14, 1985.

NOTE 5: Discounts and expenses applicable to the defaulted long-term debt, which had been previously amortized over the term of the debt, have been charged off to Surplus.



**INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LIMITED**  
and its wholly owned subsidiary — I.C.D. REALTY LIMITED

**STATEMENT OF DEFICIT — for the Year Ended December 31, 1967**  
(With Comparative Figures for 1966)

	1967	1966
DEFICIT BALANCE — January 1,.....	\$529,439	\$330,177
Net loss for the year.....	15,871	198,112
Unamortized bond discount and issue expense written off (Note 5).....	146,242	—
Life insurance premiums.....	—	1,150
Adjustments re prior years taxes.....	368	—
DEFICIT, end of year.....	<u>\$691,920</u>	<u>\$529,439</u>

**OPERATING STATEMENT — for the Year Ended December 31, 1967**  
(With Comparative Figures for 1966)

	1967	1966
INCOME.....	\$ 160,147	\$ 331,257
EXPENSES		
OPERATING CHARGES:		
General and administrative.....	35,649	62,168
Salaries.....	20,422	32,056
Depreciation.....	2,406	3,460
	<u>58,477</u>	<u>97,684</u>
	101,670	233,573
COST OF BORROWING		
Interest on long-term secured debt.....	67,505	103,274
Amortized cost of acquisition of borrowed money.....	—	20,332
Interest on collateral trust notes and loans.....	83	27,896
Interest and bank charges.....	139	24,571
Fees to Montreal Trust Company on collateral trust notes.....	—	97
	<u>67,727</u>	<u>176,170</u>
	33,943	57,403
INTEREST ON DEBENTURES.....	<u>27,846</u>	<u>47,074</u>
	6,097	10,329
Less: Adjustments to the provision for doubtful accounts.....	<u>11,564</u>	<u>169,515</u>
NET OPERATING LOSS.....	(5,467)	(159,186)
Add: Default expenses.....	<u>10,404</u>	<u>38,926</u>
NET LOSS.....	<u>(\$ 15,871)</u>	<u>(\$ 198,112)</u>

**AUDITORS' REPORT**

To the Shareholders of:

Inter-Provincial Commercial Discount Corporation Limited,  
Toronto, Ontario.

We have examined the Balance Sheet of Inter-Provincial Commercial Discount Corporation Limited and its wholly owned subsidiary, I.C.D. Realty Limited, as at December 31, 1967, and the Operating Statement for the year ended on that date.

Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The investment in the wholly owned subsidiary, Western Aluminum Products Limited, is shown at cost. In our opinion, because of the losses incurred as explained in Note 1, a provision of \$370,000 is necessary to provide for the decline in the value of this investment.

While the Company is in default under the trust deeds securing its indebtedness and is not presently acquiring additional factoring paper, the financial statements have been prepared on the basis of a going concern, except for the change referred to in Note 5 with which we concur.

Subject to the qualifications, regarding the investment in the wholly owned subsidiary, Western Aluminum Products Limited, and the default under the trust deeds mentioned above, in our opinion the accompanying Balance Sheet and Operating Statement and Deficit (with supplementary notes thereto) present fairly the financial position of the Company as at December 31, 1967, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

RESNICK, WINTRAUB & CO.

Toronto, Ontario.  
April 27, 1968.

Chartered Accountants.



# WESTERN ALUMINUM PRODUCTS LIMITED

(Incorporated as a private company under the laws of the Province of Alberta)

## BALANCE SHEET — December 31, 1967

(With Comparative Figures for 1966)

### ASSETS

#### CURRENT ASSETS

	1967	1966
Cash.....	\$ 351	\$ 348
Accounts receivable.....	553,817	442,096
Inventories — at the lower of cost or net realizable value.....	553,686	548,592
Prepaid expenses and deposits.....	5,331	6,498
Total current assets.....	1,113,185	997,534

Equity in Residential Property — Note 1..... 11,174

Special Refundable Tax..... 1,403

#### INVESTMENTS — at cost

Wholly-owned subsidiaries — Note 2.....	1,320	1,320
Other.....	3,335	3,335
	4,655	4,655

#### FIXED ASSETS — Schedule I

Property, plant and equipment — at cost.....	627,302	554,326
Less: Accumulated depreciation.....	190,768	150,959
	436,534	403,367

#### DEFERRED CHARGES

Finance charges unamortized.....	7,703	3,392
Die charges unamortized.....	6,192	10,518
	13,895	13,910
	\$1,580,846	\$1,419,466

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### CURRENT LIABILITIES

	1967	1966
Bank indebtedness — secured.....	\$ 207,191	\$ 203,295
Accounts payable and accrued charges.....	350,644	298,764
Sales tax payable.....	25,679	15,540
Long term debt — portion due within one year.....	43,898	42,318
Total current liabilities.....	627,412	559,917

#### DUE TO AFFILIATED COMPANIES — trade accounts

Parent company.....	63,014	72,060
Subsidiary company.....	110,203	117,069
	173,217	189,129

#### LONG TERM DEBT — Note 4

Mortgages and chattel mortgages payable.....	263,534	256,019
Less: Portion due within one year.....	43,898	42,318
	219,636	213,701

#### LOANS AND DEBENTURES PAYABLE — parent company

	603,500	603,500
--	---------	---------

#### SHAREHOLDERS' EQUITY

##### SHARE CAPITAL

Authorized

20,000 shares with a par value of \$1 each

Issued and fully paid

25 shares

Deficit — Statement II.....	25	25
	(42,944)	(146,806)
	(42,919)	(146,781)
	\$1,580,846	\$1,419,466

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors



# WESTERN ALUMINUM PRODUCTS LIMITED

(Incorporated as a private company under the laws of the Province of Alberta)

## STATEMENT OF DEFICIT — December 31, 1967

(With Comparative Figures for 1966)

	1967	1966
Deficit, beginning of year .....	\$146,806	\$159,979
Add: Expenses and forfeited deposits applicable to prior years — Note 5 .....	7,462	
	154,268	159,979
Net income for the year — Statement III: .....	111,324	13,173
Deficit, end of year .....	\$ 42,944	\$146,806

## STATEMENT OF OPERATIONS — for the Year Ended December 31, 1967

(With Comparative Figures for 1966)

	1967	1966
Sales .....	\$2,935,232	\$2,077,560
Net income before interest on borrowed money and amortization and depreciation .....	259,889	161,702
Interest on borrowed money .....	87,599	90,352
Depreciation and amortization .....	60,966	58,177
	148,565	148,529
Net income for the year .....	\$ 111,324	\$ 13,173

## NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 1967

### NOTE 1: Equity in residential property

During the year, Western Aluminum Products Limited purchased the equity of an employee in his residence, following the re-location of his duties with the company.

### NOTE 2: Investment in wholly-owned subsidiaries consists of the following:

	Shares (at Cost)
Duo-Seal Glass Co. Ltd. ....	\$ 50
Amalgamated Glass Limited .....	270
Toulon Development Ltd. ....	1,000
	<u>\$1,320</u>

No provision has been made in the accounts of Western Aluminum Products Limited for the losses of wholly-owned subsidiaries, which in 1967 amounted to \$8,492.

### NOTE 3: As at December 31, 1966 the company was contingently liable in respect of a disputed assessment of the Workmen's Compensation Board of Alberta in the amount of \$3,779.

### NOTE 4: Details of long term debt are as follows:

Mortgages	
Alberta Commercial Corporation — 7½% .....	\$160,352
Payable \$1,611 per month including interest	
Montreal Trust Company — 7½% .....	43,280
Payable \$442 per month including interest	
Chattel mortgages .....	59,902
Payable in varying monthly instalments, the amount due within one year aggregating \$32,678	
	<u>\$263,534</u>

### NOTE 5: Expenses and forfeited deposits

During the year a judgment against the company was granted in favour of a supplier on a disputed account relating to the year 1963, in the amount of	\$6,312
A deposit in respect of an option to purchase land was forfeited .....	750
Expenditure on plans for a building were written off since the company has now abandoned the project .....	400
	<u>\$7,462</u>

## AUDITORS' REPORT

The Shareholders,  
Western Aluminum Products Limited.

We have examined the balance sheet of Western Aluminum Products Limited as at December 31, 1967 and the statements of income and retained earnings for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta.  
April 3, 1968.

COLLINS & HAMES,  
Chartered Accountants.



**REGISTRARS AND TRANSFER AGENTS:**

CANADA TRUST COMPANY LIMITED  
*Common Shares*

**TRUSTEES:**

MONTREAL TRUST COMPANY  
*Collateral Trust Notes*

CANADA PERMANENT TORONTO GENERAL  
TRUST COMPANY  
*6½ % Convertible Debentures*

CANADA TRUST COMPANY  
*7½ % Debentures*

**SHARES LISTED:**

Common  
*Toronto Stock Exchange*



